

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 3510-01
BILL NO. HB 1435
SUBJECT: Sports and Amusement; Licenses - Professional
TYPE: Original
DATE: February 22, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Athletic	(\$168,579)	(\$168,579)	(\$168,579)
Total Estimated Net Effect on <u>All</u> State Funds	(\$168,579)	(\$168,579)	(\$168,579)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (DPR)** assume the proposed legislation would result in a decrease in revenue to the Athletic Fund due to the reduction of taxes collected for professional boxing, professional wrestling, professional kickboxing and professional full-contact karate events held in the state of Missouri. The projected annual loss is \$168,579, based on actual FY 99 taxes and fees collected from events promoted by small business boxing promoters and televised boxing and wrestling events.

Officials from the **Department of Revenue (DOR)** assume the proposed legislation would have no fiscal impact on its agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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ATHLETIC FUND

Loss-Division of Professional Registration (DPR)

Tax loss	<u>(\$168,579)</u>	<u>(\$168,579)</u>	<u>(\$168,579)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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	\$0	\$0	\$0
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FISCAL IMPACT - Small Business

It is expected that small businesses could have a direct fiscal impact as a result of this proposal. It is estimated that 50% of the total number of boxing events held by small business promoters will not occur due to the cost of insurance, medical tests for contestants and the required ambulance and its crew, therefore, causing a loss of revenue to small business.

DESCRIPTION

This bill revises the law on combative sporting events. The bill:

- (1) Defines the following new terms: announcer, inspector, judge, manager, martial arts, matchmaker, officials, permit, physician, promoter, purse, referee, second, and timekeeper;
- (2) Removes the 5% tax assessed on gross receipts derived from the sale or lease of broadcasting, television, closed-circuit telecast, and motion picture rights of any professional boxing, wrestling, kickboxing, or full-contact karate;
- (3) Requires pay-per-view operators of tough-man bouts to file a report with the Office of Athletics stating the number of orders sold and the price per order;
- (4) Lowers the number of rounds per event in professional boxing, kickboxing, or full-contact karate from 15 rounds of 3 minutes to 12 rounds. Women competing in these events will be limited to 10 rounds of 2 minutes; and
- (5) Requires an ambulance and crew to be on site continuously during these events. The promoter of such events will be required to maintain health and life insurance in the amount of \$25,000 for each participant.

Applicants for licensure to participate in professional boxing, kickboxing, and full-contact karate are required to provide the Office of Athletics documentary evidence that no later than 30 days prior to application they have tested negative for HIV and hepatitis B and also had normal MRI or CAT scans within the same time period. All licensees must complete an MRI or CAT scan every 2 years to maintain a license. At any time the office may require contestants to submit to medical tests to determine their fitness to participate in such events. Prior to all events, contestants must pass a comprehensive physical exam given by a physician designated by the Office of Athletics.

This proposal would affect Total State Revenues.

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SOURCES OF INFORMATION

Department of Economic Development - Division of Professional Registration
Department of Revenue

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "Jarrett".

Jeanne Jarrett, CPA
Director
February 22, 2000